

LOGGED

19 June 1963

25X1A

TO:

SUBJECT: Project 9045 Proposal

Gentlemen:

25X1A

In response to your TWX authorization 3024 received 1 June 1963, enclosed is our cost proposal for the effort necessary to produce, deliver, and provide flight support for five (5) additional Lanyard cameras. Also enclosed are copies of the proposed Contract SCHEDULE, Work Statement and Specification.

The proposal assumes the delivery of the cameras in a configuration complying with TD's 1001A through 1036A to the extent that those TD's affect the units. Otherwise, the releases for procurement will be in accordance with the condition of our drawings as of 1 June 1963. The five (5) units will incorporate within the scope of the contract any changes instituted by Itek in the normal course of the development of the units being delivered under the existing contract BT-1943 (our Project 9040). *excl 1031 and 1032*

Several factors were considered in the preparation of this proposal. Primarily, our latest Cost-to-Complete was considered in deriving our labor estimates in the sustaining work areas (such as the Project Office and Field Engineering). We have taken considerable care in pricing all sustaining personnel from their predicted time-of-release from Project 9040 to the conclusion of this new program. In the areas such as our machine shop, optics shop, etc., the labor estimates were prepared as a function of the time necessary to produce the hardware involved. The material estimates are based on the needs for five (5) units plus a 10% contingency for manufacturing extras. This small percentage has been used in consideration of a probable useful residual inventory from Project 9040. We would propose that an acceptable technique will be accomplished at a later date for utilizing that portion of the 9040 inventory on Project 9045. We have also made maximum utilization of historical cost information in the preparation of this proposal.

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An estimate for Spare Parts has not been included in this Cost Proposal. We will, however, review our requirements when better historical useage rates are available. Our proposal will then be submitted in accordance with the Work Statement paragraph concerning Spare Parts.

The enclosed SCHEDULE, Work Statement, and Specification have been appropriately revised to reflect the deletion of the Qualification Program and delivery of Ground Support Equipment. We are also recommending that modifications be made to the Dynamic Resolution Tester and that "clean rooms" be provided in the [redacted] Final Assembly areas. As we discussed previously, we have estimated the square feet in each of these areas and multiplied by Thirty Dollars (\$30) per square foot to derive the price of these modifications for budgetary planning purposes. At the time of negotiation, we will present firm estimates of the specific work necessary to obtain clean room conditions for these areas.

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The cost proposal indicates a total estimated cost of [redacted] incentive fee of [redacted] for a total Cost-Plus-Incentive-Fee value of [redacted]

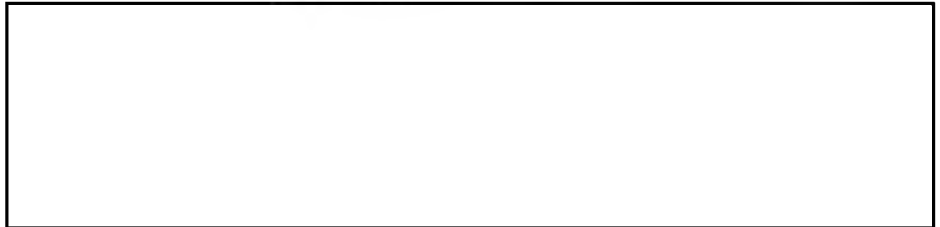
Our personnel will be available to discuss this proposal at your convenience. Requests for such direction should be forwarded to either [redacted]

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Very truly yours,

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ITEK CORPORATION



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Enclosures

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cc:



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